



VarTec Telecom, Inc.

RECEIVED

2005 OCT 19 PM 12:48

October 17, 2005 T.R.A. DOCKET ROOM

VIA OVERNIGHT DELIVERY

Executive Secretary

Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

Re: Joint Application for Consent to Transfer Assets

05-00287

Dear Sir or Madam

Transmitted herewith on behalf of Comtel Telcom Assets LP ("Comtel") and VarTec Telecom, Inc., Excel Telecommunications, Inc. and VarTec Solutions, Inc. (together, the "VarTec Companies") (collectively with Comtel, the "Applicants") are an original and 13 copies of a Joint Application for Consent to Transfer Assets. Through this Application, Comtel seeks the authority to assume substantially all of the assets of the VarTec Companies and also to obtain the necessary certification to provide local exchange, interexchange and wireless telecommunications services within Tennessee. Enclosed with this Application is a sealed envelope containing information, which the Applicants respectfully request be treated as confidential and proprietary information of Comtel.

Acknowledgment and date of receipt of this filing are respectfully requested. Please date and file stamp the attached copy of this correspondence and return it in the enclosed pre-addressed, postage-prepaid envelope. Please direct all correspondence regarding this filing to the undersigned directly at (972) 478-3309, the below-referenced address or bgipson@vartec.net. If the TRA has immediate questions or requires additional information, the undersigned is available to promptly supplement this Application. The Applicants sincerely appreciate your time and consideration in reviewing this matter.

Respectfully submitted,

Becky Gipson
Director, Regulatory Affairs

Enclosures

cc. Jeffrey Marks, Jessica Hafer, Counsel for Comtel Telcom Assets LP



VarTec Telecom, Inc.

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2005 OCT 19 PM 12:48

T.R.A. DOCKET ROOM

October 18, 2005

VIA OVERNIGHT DELIVERY

Executive Secretary

Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

Re: Filing Fee for Joint Application for Consent to Transfer Assets

Dear Sir or Madam:

Transmitted herewith on behalf of Comtel Telcom Assets LP ("Comtel") and VarTec Telecom, Inc., Excel Telecommunications, Inc. and VarTec Solutions, Inc. (collectively with Comtel, the "Applicants") is a check in the amount of \$25 00 for the required filing fee associated with the Joint Application. This filing was issued to the TRA yesterday but did not include the required filing fee. The Applicants apologize for the delay in submitting the enclosed payment

Acknowledgment and date of receipt of this filing are respectfully requested. Please date and file stamp the attached copy of this correspondence and return it in the enclosed pre-addressed, postage-prepaid envelope. Please direct all correspondence regarding this filing to the undersigned directly at (972) 478-3309, the below-referenced address or bgipson@vartec.net. The Applicants sincerely appreciate your time and consideration in reviewing this matter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Becky Gipson", with a long, sweeping horizontal line extending to the right.

Becky Gipson
Director, Regulatory Affairs

Enclosure

cc: Jeffrey Marks, Jessica Hafer, Counsel for Comtel Telcom Assets LP

BEFORE THE TENNESSEE REGULATORY AUTHORITY

In the matter of the Joint Application of)
)
COMTEL TELCOM ASSETS LP)
)
and)
)
VARTEC TELECOM, INC., EXCEL)
TELECOMMUNICATIONS, INC. AND)
VARTEC SOLUTIONS, INC.)
)
for Approval of a Transfer of Assets)

Docket No. _____
Date of Filing: October 18, 2005

JOINT APPLICATION FOR CONSENT TO TRANSFER ASSETS

Pursuant to the rules and regulations of the Tennessee Regulatory Authority (“TRA”), Comtel Telecom Assets LP (“Comtel”) and VarTec Telecom, Inc. (“VarTec”), Excel Telecommunications, Inc., (“Excel”) and VarTec Solutions, Inc. (“VarTec Solutions”) (together, the “VarTec Companies”) (collectively with Comtel, the “Applicants”) hereby notify and jointly petition the TRA for the approval to complete the acquisition by Comtel of certain assets of the VarTec Companies and to grant all relief requested herein to allow for the consummation of the transaction without undue delay. In support of this Application, the following is stated:

I. The Parties

A. Comtel

Comtel is a limited partnership organized under the laws of the State of Texas. A copy of the Certificate of Filing issued to Comtel by the Office of the Secretary of State in Texas is attached hereto as Exhibit A. The corporate contact information for Comtel is as follows:

c/o Paul Winters
500 Boylston Street, 17th Floor
Boston, Massachusetts 02116
Telephone: (617) 603-3508

Facsimile: (617) 603-3509

Questions concerning Comtel or this filing may be addressed to the following representative:

Jeffrey A. Marks
Jessica W Hafer
Latham & Watkins LLP
555 Eleventh Street, N.W.
Suite 1000
Washington, D.C. 20004-1304
Telephone: (202) 637-2200
Facsimile: (202) 637-2201
e-mail: jeffrey.marks@lw.com
jessica.hafer@lw.com

Comtel's registered agent within Tennessee is as follows: National Corporate Research, Ltd., 1900 Church Street, Suite 400, Nashville, Tennessee 37203.

A corporate organizational chart for Comtel is attached hereto as Exhibit B, and a list of its officers is attached as Exhibit C. Comtel is a newly formed limited partnership whose principal business will be telecommunications. Its general partner, Comtel Assets Inc. ("Comtel Inc."), is a Texas corporation and owns 1% of the equity of Comtel. Comtel's limited partner, Comtel Assets Corp. ("Comtel Corp."), is a Delaware corporation, which owns 99% of the equity of Comtel.¹ Comtel Inc. and Comtel Corp are corporate holding companies located at c/o 500 Boylston Street, 17th Floor, Boston, Massachusetts 02116.

¹ It is anticipated that certain members of Comtel's management team may have the opportunity to obtain non-controlling ownership interests in Comtel, which would reduce the interest held by Comtel Corp

Comtel Inc. and Comtel Corp. are both 100% owned by Sowood Commodity Partners Fund III LP ("Sowood Fund III"), an investment company organized in Delaware as a limited partnership. Sowood Commodity Partners GP III LP ("Sowood GP III LP") is a Delaware limited partnership, and it is the sole general partner of Sowood Fund III with a 0.2% equity interest and operating control. The principal business of Sowood GP III LP is to serve as a corporate holding company, and it is located at 500 Boylston Street, 17th Floor, Boston, Massachusetts 02116

The remaining equity of Sowood Fund III is held by Harvard Private Capital Holdings ("HPCH"), a passive, institutional investor. HPCH's principal business is serving as an investment company. It is owned and controlled by the President and Fellows of Harvard University, a tax-exempt educational and research institution based in Cambridge, Massachusetts.² The address of HPCH is c/o Harvard Management Company, 600 Atlantic Avenue, Boston, Massachusetts 02210.

Four individuals hold limited partnership interests in Sowood GP III LP, and those individuals own 99% of the equity in the limited partnership. The business address for these individuals is as follows: c/o 500 Boylston Street, 17th Floor, Boston, Massachusetts 02116.

The general partner of Sowood GP III LP, with a 1% interest and operating control, is Sowood GP III LLC, a Delaware limited liability company. The principal business of Sowood GP III LLC is to serve as a management company. The address of Sowood GP III LLC is as follows: 500 Boylston Street, 17th Floor, Boston, Massachusetts 02116.

² Harvard University is an educational and research institution with tax-exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code. According to the Harvard University Annual Financial Report for Fiscal Year 2004, income from the University's endowment is Harvard's largest source of operating income. Harvard Management Company ("HMC") is responsible for investing the assets of the endowment to meet the University's needs. HMC is a subsidiary of Harvard and is governed by a board of directors appointed by President and Fellows of Harvard University. According to the Annual Report, HMC oversees, among other investments, some 170 different private equity funds, managed by 60 different external management teams.

The sole managing member of Sowood GP III LLC is Jeff Larson. Sowood GP III LLC also has three non-managing members: Stu Porter, Rick Dowd and Megan Kelleher.

B. The VarTec Companies

VarTec and Excel are corporations organized under the laws of the State of Texas. VarTec Solutions, which formerly operated under the corporate names, eMeritus Communications, Inc., Teleglobe Business Solutions, Inc. and Telco Holdings, Inc. d/b/a Dial & Save, is a Delaware corporation. The principal office of the VarTec Companies is located at the following address.

2440 Marsh Lane
Carrollton, Texas 75006
Telephone: (972) 478-3000
Facsimile: (972) 478-3310

Questions concerning the VarTec Companies or this filing may be addressed to the following representative:

Becky Gipson
Director, Regulatory Affairs
VarTec Telecom, Inc.
2440 Marsh Lane
Telephone: (972) 478-3309
Facsimile: (972) 478-3310
e-mail: bgipson@vartec.net

The VarTec Companies are privately-held corporations. VarTec Telecom Holding Company ("VarTec Holding"), a wholly-owned subsidiary of VarTec,

holds 100% of the stock of Excelcom, Inc. ("Excelcom") and Telco Communications Group, Inc. ("Telco"). Excelcom is the direct and sole shareholder of Excel, and Telco is the direct and sole shareholder of VarTec Solutions. VarTec Holding and Excelcom are Delaware corporations, and Telco is organized in Virginia. Each is a holding company located at 2440 Marsh Lane, Carrollton, Texas 75006.

The TRA has authorized VarTec, Excel and VarTec Solutions to provide competitive local exchange and interexchange services in Tennessee. VarTec was authorized by the TRA to provide facilities-based and resold local exchange services in Docket No. 01-00760 and resold interexchange and operator services in Case No. 95-02796. Excel was granted the same authorizations in Docket No. 02-00382 and Case No. 95-03337. VarTec Solutions was authorized to provide resold local exchange services in Case No. 96-00982 and resold interexchange and operator services in Case No. 95-02455, both originally under the Dial & Save name.

Furthermore, VarTec and Excel are authorized to provide local exchange, interexchange, operator and wireless services within and throughout the United States, and VarTec Solutions is authorized to provide interexchange services within the contiguous United States. VarTec Solutions' local exchange authority is limited to Tennessee and certain other states, although it has not yet commenced providing local exchange services in any jurisdiction. In addition, the TRA has authorized VarTec to provide interexchange services to Tennessee consumers under the trade name, Clear Choice Communications. Both VarTec, including Clear Choice Communications, and Excel primarily provide telecommunications services to residential customers, while VarTec Solutions serves commercial customers.

The VarTec Companies voluntarily filed for Chapter 11 bankruptcy on November 1, 2004 in the Dallas Division of the United States Bankruptcy Court

for the Northern District of Texas (the "Court") consolidated under Case No. 04-81694-HDH-11. As part of the bankruptcy process, the VarTec Companies have entered into the below-described asset purchase agreement ("APA") with Comtel Investments LLC ("Comtel Investments"). Comtel Investments, which is wholly owned by the same parties who own and control Comtel, has assigned its rights and obligations under the APA to Comtel as of August 1, 2005. The APA was executed on July 25, 2005 and was approved by the Court on July 27, 2005.³

II. The Transaction

As noted above, the VarTec Companies are operating under bankruptcy protection. Through the APA and the Court-approved auction process, Comtel will ultimately acquire substantially all of the assets of the VarTec Companies, including all telecommunications equipment, customer accounts and records, business records and licenses and permits. The APA provides that the ultimate transfer of the acquired telecommunications and associated operating assets is subject to the necessary regulatory approvals, including the approval of this Application. In addition, Comtel may, as necessary, obtain up to approximately \$10 million in debt financing pending consummation of the proposed transaction to fund working capital and similar needs of the VarTec Companies. Upon consummation of the proposed transaction, Comtel currently intends to replace such debt financing with a term (3 to 5 year) debt instrument. Based on Comtel's present understanding of the business, it anticipates that the term debt will be approximately \$50 million. This financing will assist with the day-to-day operations of Comtel as Comtel consummates its acquisition of the former VarTec Companies' operations, newly emerged from bankruptcy.

Once the proposed transaction is completed, the VarTec Companies will no longer hold authorizations to provide telecommunications services as described in

³ See Case No. 04-81694-HDH-11, Order Granting Motion (A) Approving the Sale Free and Clear of All Liens, Claims, Rights, Interests and Encumbrances to Comtel Investments LLC and (B) Granting Related Relief (Substantially All of the Debtors' Remaining Assets) (entered July 29, 2005), available at http://docs.bmccorp.net/Vartec/docs/txnb_3-04-bk-81694_1663.pdf

Section I (B) above. These authorizations will be held by or assigned collectively to Comtel in order that Comtel can step into the shoes of the VarTec Companies, and the residential and commercial customers previously served by the VarTec Companies will continue to receive services without interruption. According to Comtel's initial plans for the business, the services provided and geographic areas served by Comtel will mirror those currently provided by the VarTec Companies, and any enhancements to the service offerings will be within the existing authority transferred to Comtel from the VarTec Companies. In order to minimize confusion and concern for customers, Comtel aims to make this transition seamless by operating under trade names and limiting all direct impacts to existing customers (e.g., no service changes are contemplated as part of this Application)

The interconnection and other network agreements currently allowing the VarTec Companies to provide local exchange and/or interexchange services will be transferred to Comtel, as necessary, to continue the Applicants' efforts to make a smooth transition for customers. Comtel also initially plans to maintain the VarTec Companies' existing tariffs on file with the TRA. Once the transaction is prepared for closing and the TRA has granted its approval, Comtel will simply modify the corporate name on the tariffs. This further supports Comtel's desire to transition the VarTec Companies' assets without interruption or burden on the existing customer base.

III. Request for Approval to Transfer Assets; Qualifications of Comtel

Through this Application, Comtel requests that the TRA approve the transfer of assets as described in Section II above and simultaneously grant Comtel specific authority to operate as a provider of facilities-based and resold local exchange services as well as resold interexchange, operator and wireless services within Tennessee. Specifically, Comtel requests that the TRA-issued authorizations detailed in Section I(B) be transferred from the VarTec Companies to Comtel. Alternatively, in the event that the TRA requires new certifications for Comtel, Comtel requests that those be issued. In support of this request, Comtel has provided information, within this Application and its

Exhibits, typically required of new applicants seeking authorization to provide telecommunications services.

In addition, Comtel requests the authority to provide any and all of these services (i.e., facilities-based and resold local exchange services and resold interexchange and operator services and to the extent necessary, resold wireless services) under the trade names VarTec Telecom, Clear Choice Communications, Excel Telecommunications and VarTec Solutions, in addition to the Comtel name. This will maximize Comtel's available options under which it may begin its operations in the state. Attached hereto as Exhibit D please find a copy of Comtel's authorization to conduct business in Tennessee as issued by the Secretary of State.

Following the consummation of the asset transfer, Comtel will be led by a combination of its own management members and certain members of the existing management team of the VarTec Companies, who the Applicants currently expect will continue in management roles for Comtel after consummation of the transaction. Descriptions of the backgrounds of the key management members, which demonstrate extensive experience and expertise, are attached hereto and incorporated herein by reference as Exhibit E. In the event that these Company representatives change, Comtel will pursue other highly experienced executives to assume their roles to ensure that its management team is balanced and technically qualified.

Due to the nationwide nature of the VarTec Companies' current operations, Comtel is engaged in state regulatory processes across the country in connection with the proposed transaction. The Federal Communications Commission has issued its approval for this transaction.

As demonstrated in Exhibit F, Comtel has the requisite financial ability to acquire the VarTec Companies' assets and become a strong competitor in the Tennessee telecommunications marketplace. As a privately-held company, Comtel respectfully requests that the TRA protect Exhibit F of the Application from public inspection, and as

a result, Comtel has included with this Application as Exhibit G a Motion for Protective Order and Protection of Proprietary Information for the TRA's review and approval.

In addition to the qualifications mentioned above, Comtel also confirms that it is willing and able to comply with TRA requirements, rules, orders and policies. Furthermore, the Applicants anticipate that the following contact will serve as the TRA's contact for Comtel's operations, including maintenance and repair issues:

Becky Gipson
Director, Regulatory Affairs
2440 Marsh Lane
Carrollton, Texas 75006
Telephone: (972) 478-3309
Facsimile: (972) 478-3310
e-mail: bgipson@vartec.net

As the result of this transaction, Comtel has been authorized by the FCC to provide interstate and international interexchange services from locations within and throughout the United States, and Comtel is seeking the authority to provide local exchange, interexchange and resold wireless telecommunications services throughout the United States and currently has the appropriate applications on file with the applicable utility commissions in Arizona, California, Colorado, Florida, Georgia, Illinois, Michigan, New York, North Carolina, Pennsylvania, Virginia and Wisconsin. As a new entrant in the telecommunications industry, the Applicant has not been denied authority to operate in any state.

IV. Public Interest Considerations

Grant of this Application would serve the public interest, convenience and necessity by enabling the seamless continuation of telecommunications services to the VarTec Companies' existing Tennessee customers. By allowing Comtel to assume control of the VarTec Companies' assets and to obtain the necessary authorizations to

provide telecommunications services in Tennessee, existing customers will have access to the services they enjoy today as well as the potential for expanded service offerings going forward. Due to financial restrictions, the VarTec Companies have performed extremely limited marketing, product research and other customer retention and acquisition efforts during 2004 and 2005. Such restrictions have minimized the competitive offerings introduced to the public and limited the VarTec Companies ability to invest in additional consumer service offerings. Consummation of the transaction will greatly increase the financial viability of the VarTec Companies' products and services.

Moreover, approval of the proposed transaction can be expected to serve the public interest by stimulating increased competition in the telecommunications market. As a new entrant into these markets, Comtel intends to compete efficiently and effectively using the well-established resources obtained through the APA. More effective competition has the net economic impact of lower consumer prices, combined with the introduction and availability of more consumer products and services.

V. Request for Waiver of Slamming Rules

In further support of serving the public interest in association with this Application, the Applicants intend to provide any required customer notice of the transfer of assets to Comtel within the appropriate notice period. Such notice would take into account all relevant state and federal notification and consent requirements applicable to this transaction.

Additionally, out of an abundance of caution and to the extent necessary, the Applicants hereby request a waiver from any applicable anti-slamming regulations that may nevertheless be considered to have been violated by this transfer of assets being made without the specific authorization and verification of each affected customer. It would be impractical and burdensome to obtain the specific authorization of each customer to effect the proposed transaction. Such a process would significantly hinder the smooth transition of services. Because affected customers would not experience any


change in the quality and scope of their services, and because of the Applicants' extreme efforts to make invoicing procedures, customer service and all other matters involving customers absolutely seamless, the notice correspondence will be sufficient to serve the public interest. The notice correspondence will describe the transaction in terms that are easy to understand and ensures that customers are made aware of all their service options going forward, along with other content as may be required. Accordingly, to the extent that the TRA deems necessary, the public interest would be served by the grant of a waiver of anti-slamming regulations applicable to this transaction. The Applicants request such relief from the TRA as may be warranted.

VI. Conclusion

The Applicants submit that the information provided herein demonstrates that the public interest, convenience and necessity would be served by the grant of this Application. Therefore, the Applicants respectfully request that the TRA approve the Joint Application and grant all other relief as necessary and appropriate to authorize the completion of the sale of assets from the VarTec Companies to Comtel.

Respectfully submitted,

COMTEL TELCOM ASSETS LP

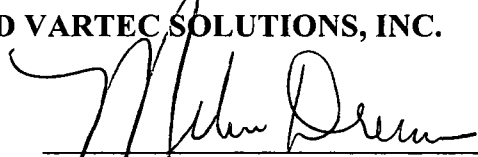
By: 
Lee Ann Wilson
Assistant Secretary
Comtel Telcom Assets LP
c/o Sowood Capital Management LP
500 Boylston Street, 17th Floor
Boston, Massachusetts 02116
Telephone: (617) 603-3504
Facsimile: (617) 603-3330
e-mail: leeann.wilson@sowood.com

10/17/05
Date

Respectfully submitted,

**VARTEC TELECOM, INC.,
EXCEL TELECOMMUNICATIONS, INC.
AND VARTEC SOLUTIONS, INC.**

By:



Melissa A. Drennan, Esq.
Assistant Secretary
VarTec Telecom, Inc.,
Excel Telecommunications, Inc and
VarTec Solutions, Inc.
2440 Marsh Lane
Carrollton, Texas 75006
Telephone: (972) 478-3305
Facsimile: (972) 478-3310
e-mail: mdrennan@vartec.net

Oct 17, 2005
Date

EXHIBIT A
COMTEL TELCOM ASSETS LP
CERTIFICATE OF FILING

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Roger Williams
Secretary of State

Office of the Secretary of State

CERTIFICATE OF FILING OF

Comtel Telcom Assets LP
Filing Number: 800523585

The undersigned, as Secretary of State of Texas, hereby certifies that a certificate of limited partnership for the above named limited partnership has been received in this office and filed as provided by law on the date shown below.

Accordingly, the undersigned as Secretary of State hereby issues this certificate evidencing the filing in this office.

Dated: 07/26/2005

Effective: 07/26/2005



A handwritten signature in black ink, reading "Roger Williams".

Roger Williams
Secretary of State

FROM

(TUE) 7.26.05 4:05/ST. 14:04/NO. 4864937803-P 3

FILED
In the Office of the
Secretary of State of Texas

JUL 26 2005

Corporations Section

CERTIFICATE OF LIMITED PARTNERSHIP
OF
COMTEL TELCOM ASSETS LP

1. Name of Partnership: Comtel Telcom Assets LP
2. Name and Address of Registered Agent and Office: National Corporate Research, Ltd.
800 Brazos, Suite 1100
Austin, Texas 78701
3. Address of Principal Office: 600 Travis, Suite 2775
Houston, Texas 77002
4. General Partner:
Name: Comtel Assets Inc.
Mailing Address: 600 Travis, Suite 2775
Houston, Texas 77002

EXECUTED on the 26th day of July, 2005.

GENERAL PARTNER:

COMTEL ASSETS INC.

By: Megan Keeler
Name: MEGAN KEELER
Title: SECRETARY

HOUSTON 83555v1

EXHIBIT B

COMTEL TELCOM ASSETS LP

CORPORATE ORGANIZATIONAL CHART

Comtel Telecom Assets LP

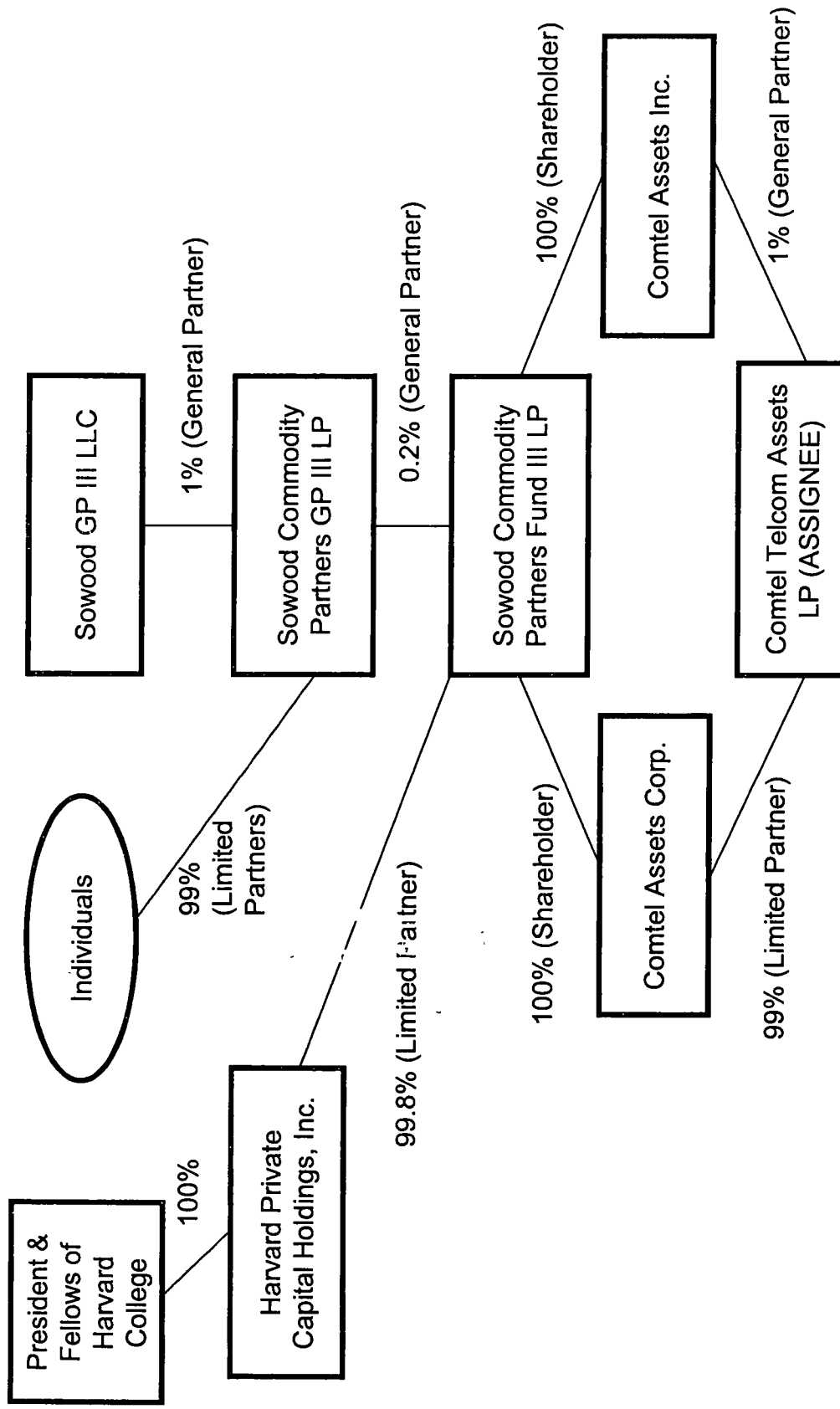


EXHIBIT C
COMTEL TELCOM ASSETS LP
LIST OF OFFICERS

**COMTEL TELCOM ASSETS LP
OFFICER LIST**

Chairman	Stu Porter 500 Boylston Street, 17 th Floor Boston, Massachusetts 02116
President	Bill Zartler 500 Boylston Street, 17 th Floor Boston, Massachusetts 02116
Vice President	Rick Dowd 500 Boylston Street, 17 th Floor Boston, Massachusetts 02116
Vice President	John Collins 500 Boylston Street, 17 th Floor Boston, Massachusetts 02116
Secretary	Megan Kelleher 500 Boylston Street, 17 th Floor Boston, Massachusetts 02116
Assistant Secretary	Paul Winters 500 Boylston Street, 17 th Floor Boston, Massachusetts 02116
Assistant Secretary	Lee Ann Wilson 500 Boylston Street, 17 th Floor Boston, Massachusetts 02116

EXHIBIT D

**COMTEL TELCOM ASSETS LP
CERTIFICATE OF REGISTRATION**

Secretary of State
Division of Business Services
312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, Tennessee 37243

DATE: 08/19/05
REQUEST NUMBER: 5537-0377
TELEPHONE CONTACT: (615) 741-2286
FILE DATE/TIME: 08/19/05 1210
EFFECTIVE DATE/TIME: 08/19/05 1210
CONTROL NUMBER: 0500543

TO:
KROLL
1900 CHURCH STREET
STE 400
NASHVILLE, TN 37203

RE:
COMTEL TELCOM ASSETS LP
APPLICATION FOR REGISTRATION OF FOREIGN
LIMITED PARTNERSHIP

WELCOME TO THE STATE OF TENNESSEE. THE CERTIFICATE OF REGISTRATION
FOR THE ATTACHED LIMITED PARTNERSHIP HAS BEEN FILED WITH AN EFFECTIVE DATE
AS INDICATED ABOVE.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR
FILING, PLEASE REFER TO THE CONTROL NUMBER GIVEN ABOVE.

FOR: APPLICATION FOR REGISTRATION OF FOREIGN
LIMITED PARTNERSHIP

ON DATE: 08/19/05

FROM:
KROLL DOCUMENT FILING & RETRIEVAL SVCS
1900 CHURCH STREET
SUITE 400
NASHVILLE, TN 37203-0000

	FEES	
RECEIVED:	\$600.00	\$0.00
TOTAL PAYMENT RECEIVED:		\$600.00

RECEIPT NUMBER: 00003790099
ACCOUNT NUMBER: 00442386



Riley C. Darnell

RILEY C. DARNELL
SECRETARY OF STATE

State of Tennessee



Department of State
Corporate Filings
312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, TN 37243

APPLICATION FOR REGISTRATION
OF FOREIGN LIMITED
PARTNERSHIP

Office Use Only
FILED
AUG 19 PM 12:10
SECRETARY OF STATE

Pursuant to the provisions of the Tennessee Revised Uniform Limited Partnership Act, Section 61-2-902, the undersigned foreign limited partnership submits the following application for registration:

1. The name of the foreign limited partnership is: **Comtel Telcom Assets LP**
If different, the name under which the foreign limited partnership is to be obtained

[NOTE: Pursuant to Tennessee Revised Uniform Limited Partnership Act, Section 61-2-904(a), each foreign limited partnership name must include the words "Limited Partnership" or the abbreviation "L.P."]

2. This limited partnership was formed under the laws of the State/Country of **Texas**
and the effective date of formation was **July 26, 2005**

3. The above-named foreign limited partnership validly exists as a limited partnership under the laws of the jurisdiction of its organization as of the date of this filing

4. The complete address of the registered office in Tennessee is:
1900 Church St., Ste. 400 **Nashville** **TN** **Davidson** **37203**
Street City/State County Zip Code
Registered agent: **National Corporate Research, Ltd., Inc.**

5. The complete address of the principal office is:
600 Travis, Suite 2775 **Houston** **TX** **Harris** **77002**
Street City/State County Zip Code

6. The general nature of the business to be conducted or promoted in the State of Tennessee is
Telecommunications

7. The name and complete address of each general partner is:
Comtel Assets, Inc. **600 Travis, Suite 2775** **Houston** **TX** **77002**
Name Address Zip Code
Name Address Zip Code

☐ Additional general partner(s) is/are listed on the attached _____ (number of) page(s) which is/are fully incorporated herein by reference. (Check and complete if applicable)

8. The date on which the foreign limited partnership first did, or intends to do business in the State of Tennessee was/is:
upon qualification (must be month, day and year)

9. If this document is not to be effective upon filing by the Secretary of State, the delayed effective date/time is:
_____(date), _____(time)

[NOTE: A delayed effective date may not be later than the 90th day after the date this document is filed by the Secretary of State.]

[NOTE: A certificate of existence (or a document of similar import) duly authenticated by the Secretary of State or other official having custody of limited partnership records in the jurisdiction under whose law it was formed, is attached. The certificate shall not bear a date of more than two (2) months prior to the date the application is filed. Section 61-2-902(2)]

10. This foreign limited partnership hereby elects to be governed by the Tennessee Revised Uniform Limited Partnership Act.

Signature Date

Secretary

Signer's Capacity

SS-4473 (Rev 7/00)

By: **Comtel Assets, Inc.**

Megan Kelleher
Signature

Megan Kelleher

Name (typed or printed)

RDA 2135

EXHIBIT E
BIOGRAPHIES OF KEY PERSONNEL

Biographies of Key Personnel of Comtel Telcom Assets LP

(Including Management Members from the VarTec Companies Currently Expected to Continue in Management Roles for Comtel after Consummation of the Transaction)

Stuart Porter - Chairman

Mr. Porter serves as Chief Investment Officer for Sowood Commodity Partners Funds. Previously, Mr. Porter was employed as a Vice President and Portfolio Manager at Harvard Management Company where he focused on relative value transactions in commodities and structured private transactions in the commodity sector. He was responsible for investments in pipelines, hedge oil and gas reserves, equity in retail and wholesale energy providers and distressed investments in the metals sector. Such investments were premised on implementation of commodity hedges or the implementation of “real option” analysis. Mr. Porter previously worked as the European time zone trader for Bacon Investments and at J. Aron, a division of Goldman Sachs. While at J. Aron he worked on the Goldman Sachs Commodity Index desk within the metals group. Prior to joining J. Aron, Mr. Porter was a self-employed trader at the Chicago Board of Trade and had been employed by Cargill Incorporated in Minnetonka, Minnesota as a trader in the Financial Markets Division. Mr. Porter received a Bachelor of Arts degree in Economics from the University of Michigan in 1987 and his M.B.A. from the University of Chicago Graduate School of Business in 1994.

William Zartler - President

Mr. Zartler has 18 years of experience in the midstream energy and petrochemical industries. From 1989 through 1993, Mr. Zartler was the Feedstock Trading Manager and the Business Analyst at Dow Hydrocarbons and Resources where he was responsible for supply management and feedstock economics for the basic petrochemical businesses. From 1993 through 1998, Mr. Zartler served as Senior Vice President and General Manager at Dynegy with responsibilities for the Natural Gas Liquids Downstream business unit and a portion of the Gas Trading operation. Mr. Zartler led the growth of Dynegy’s Natural Gas Liquids business from nearly zero in 1993 to an operating margin of over \$100 million per year by 1998. From 1999 through 2001, Mr. Zartler founded and actively managed several small companies and in 2002 started and built a

downstream Natural Gas Liquids business for Aquila, Inc. Thereafter, Mr. Zartler founded Solaris Energy Services an organization specializing in energy commodity and asset consulting and investment. Mr. Zartler serves as Chairman of the Board of NGL Supply, Inc., a Tulsa based Natural Gas Liquids and Propane terminal, marketing and trading organization. He serves on the Board of Gavelston LNG, a Calgary and London based LNG Terminal project and LNG marketing operation, and Mercomm LLC an Austin, TX based provider of telecommunication wholesale services, all Sowood portfolio companies. Mr. Zartler received a Bachelor of Science degree in Mechanical Engineering from The University of Texas at Austin in 1987 and a Masters in Business Administration from Texas A&M University in 1989 and also attended the Stanford University Business School Executive Program in 1998.

Megan Kelleher - Secretary

Megan Kelleher is the General Counsel of Sowood Capital Management LP. Ms. Kelleher's experience includes negotiation of contracts for investment and trading relationships, including private placement documentation. She is experienced with legal and business risk analysis of investment instruments for portfolio managers and has assisted with the establishment of risk and regulatory compliance standards and procedures. Ms. Kelleher also served in an investment role in the Commodities Portfolio at Harvard Management Company where she analyzed, valued and negotiated private equity and structured finance transactions. Concurrently, Ms. Kelleher participated in the international equity portfolios with legal, regulatory and strategy issues surrounding proposed restructurings of closed-end funds. Ms. Kelleher received a Bachelor of Arts from Stonehill College in 1991, a Juris Doctor from New England School of Law in 1994 and a Master of Business Administration from Boston College in 2001.

Patrick Marburger

From 1983 through 1989, Mr. Marburger's primary concentration was in financial accounting and auditing while working for Kaneb Services, Inc. and Anadarko Petroleum Corporation, both

Texas-based energy concerns. In 1989, Mr. Marburger joined Olympic Natural Gas Company as Controller where he focused on day-to-day finance and accounting matters and led the Company's efforts in raising acquisition financing. In 1992, he became a founding member of British Gas, plc's Global Gas Americas group dedicated to originating, structuring, financing and closing energy related asset transactions in North and South America. In 1994, Mr. Marburger began a 9-year career with Dynegy (formerly Natural Gas Clearinghouse) as head of its mergers and acquisitions group. He was involved in successfully completing over \$2.5B in transactions in less than three years, elevating Dynegy to a fortune 500 company by 1997. From 1997 until 2003, he moved to a commercial role where he rose to Senior Vice President of Natural Gas Trading and Power Origination and in 2002, President of its telecommunications venture. Mr. Marburger received a Bachelor of Business Administration in Accounting from Sam Houston State University in 1983, and he is a Certified Public Accountant.

Jerry Ou

Jerry Ou serves as President of Mercantel Communications LP and has been in the telecommunications industry for the last five years. Mr. Ou has previously worked with Simplified Development, the technology provider for Teleworks, as a senior consultant focusing primarily on the Asian-American customer base and working with such customers as PCCW. Mr. Ou, serving as a business strategist for Simplified Development, helped secure initial investment funding with venture capitalists. Most recently, Mr. Ou was one of the responsible parties involved in creating the wholesale voice division at Dynegy, which led to the formation of Teleworks Wholesale Services, LP. Prior to Simplified Development, Mr. Ou was a financial analyst with a subsidiary of Goldman Sachs where he structured mezzanine finance deals that included, but were not limited to, real estate bond offerings from JP Morgan and the Morgan Bank of Tokyo in addition to managing real estate assets for Goldman Sachs and the Archon Group. Mr. Ou graduated from Harvard University with an honors degree in Economics.

Richard Dinh

Mr. Dinh serves as Chief Operating Officer of Mercantel Communications LP and has been in the telecommunications space for the last five years. Mr. Dinh previously worked for Simplified

Development where he helped secure investor funding. Mr. Dinh also managed Simplified Development's customer accounts in Asia, resulting in his move to lead consultant for the SingTel project. Meanwhile, Mr. Dinh was also one of the responsible parties involved in creating a wholesale voice division and platform for Dynegy, which has led to the formation of Teleworks Wholesale Services, LP.

Prior to his role with Simplified Development, Mr. Dinh was a financial analyst with a subsidiary of Goldman Sachs where he structured mezzanine finance deals that included, but were not limited to, real estate bond offerings from JP Morgan and the Bank of Tokyo in addition to managing the real estate debt portfolios for Goldman Sachs and the Achron Group. Mr. Dinh graduated from Harvard University in 1998 with an honors degree in Psychology.

Anthony L. Cecil

Mr. Cecil's background encompasses forensic accounting investigations and audits in a wide range of industries. Most recently, he was a senior manager for Bederson & Company, LLP, a public accounting firm. Prior to joining Bederson, he was a managing director of Virginia-based CoreFacts, LLC, senior manager in KPMG's Forensic and Litigation Services group, director of special investigations units for Bell Atlantic Corporation and Bell Atlantic Mobile and a senior auditor for Price Waterhouse.

While working at the Bell Atlantic Corporation and Bell Atlantic Mobile, Mr. Cecil established and directed special investigations units to perform high level, sensitive fraud investigations of alleged wrongdoing by employees, vendors, and customers. Each unit consisted of individuals, who had financial, auditing, and law enforcement experience. In addition, he developed a sophisticated white-collar crime intelligence system to aid in the building of complex fraud cases.

Mr. Cecil managed regional Bell Atlantic Corporation audit teams responsible for auditing operations with revenues and expenses of up to \$1 billion. He developed annual audit plans for a staff of 18 professional auditors. He planned and conducted audits to assess the adequacy of internal controls and the efficiency of operations. He prepared creative and innovative audit

reports that clearly presented audit findings and encouraged management to take corrective action. These reports consistently set new standards for all reports in the Internal Auditing organization.

Mr. Cecil holds a Bachelor of Science degree in Accounting from the University of Maryland and a Master of Science in Economic Crime Management from Utica College. He is a practicing Certified Public Accountant (licensed in Maryland) and is a Certified Fraud Examiner.

James Cashiola

Mr. Cashiola founded and was President of Simplified Development Corp, an infrastructure software company focused on creating technology that aids service providers in operating and offering their services while optimizing underlying cost elements. Mr. Cashiola started in the telecommunications business in 1985 with a dialup business focused on transmission of government documents. In 1989, Mr Cashiola transitioned to the switchless resale business, and in 1991, moved into the facilities-based resale with a focus on the development and implementation of IVR and ISDN technologies. By 1996, Mr. Cashiola entered into carrier class switching and was designing and developing proprietary software, which was integral to perform protocol translation that allowed for management of direct routes into international countries. Over his career, Mr. Cashiola has founded or co-founded seven different telecommunications businesses ranging from service bureau to prepaid calling card to wholesale carrier companies. Mr Cashiola graduated from the University of Southern California in 1984 with a degree in Philosophy.

Mark A. Carter

Mr. Carter is a seasoned executive and entrepreneur with extensive experience in finance, accounting, audit, investigations and internal controls. Most recently, he was a founder and Chief Financial and Operations Officer of CoreFacts, LLC, a high technology investigations and litigation support company. At CoreFacts, he assembled and managed a team of investigative specialists and provided professional services to a wide range of clients, including extensive investigations into fraud and trade secret theft for major telecommunications companies. He

developed and implemented all financial and operational support systems and guided CoreFacts through its sale to a public company.

Prior to his venture with CoreFacts, Mr. Carter spent eleven years with Bell Atlantic Corporation. His tenure at Bell Atlantic began in internal auditing where he eventually headed a group responsible for assessing risks, developing plans, and executing audits of all financial and operational aspects of telephone company operations. Later, as the head of worldwide security, he established programs to investigate and prevent fraud, waste and abuse and served as a key participant in establishing a corporate ethics and compliance program to ensure conformity with federal, state, and local regulatory requirements

Also, selected for a Fellowship for The Brookings Institution, Mr. Carter spent a year as a Legislative Assistant to Congressman Scott Klug, (R, WI) where he oversaw the Congressman's participation in programs for the privatization of government functions and the auditing and financial reorganization of Capitol Hill operations. Mr. Carter's other experience includes four years as a Special Agent Accountant for the Federal Bureau of Investigation. As an Agent, he participated in and led investigations of federal offenses, including bank fraud and embezzlement, public corruption, fraud against the Federal Government, and commercial bribery. In addition, Mr. Carter was an active duty aviation officer in the United States Army for four years, gaining valuable experience in the leadership and management of large groups of personnel and high dollar value equipment and budgeting. Mr. Carter holds a Bachelor of Science degree in Accounting and a Masters of Business Administration in Finance from Troy State University. He is a non-practicing Certified Public Accountant (licensed in Virginia from 1988 to 1992) and has continuing and graduate level education and training in federal taxation, audit, and business planning

VarTec Companies

Randy McNeal

Mr. McNeal has over 22 years of experience with VarTec and several companies acquired by VarTec during that time. As Senior Vice President, Network Planning, Mr. McNeal was instrumental in merging the Telco, Advantis, and Excel networks and moving Excel off net traffic from MCI to a new network at a cost savings of \$15M per month. During his tenure as General Manager, eMeritus Communications (now known as VarTec Solutions, Inc.), Randy significantly turned around a failing business unit, while simultaneously launching new carrier business. The combined projects delivered four years of continuous revenue and profit growth. Most recently, as Senior Vice President of Network for the VarTec Companies, Mr. McNeal has dramatically reduced network costs by 35% and growing as well as completing development of a network inventory system. Mr. McNeal holds a Bachelor of Science Degree in Administration and Management from William Jewell College (1982).

Keith Henderson

Mr. Henderson began his career with VarTec Telecom, Inc. in March 2002 and is currently Vice President - Customer Service. He is responsible for operations, including internal call centers as well as international and domestic outsourced call center operations. In addition, Mr. Henderson has the responsibility for the provisioning operations for local and long distance products as well as responsibility for call center technologies (IVR, ACD, quality monitoring), customer service program management, training and curriculum development, and customer relations. Mr. Henderson has also been responsible for Receivables Management operations, primarily focusing on the reduction of bad debt through inbound and outbound collections. Mr. Henderson has 24 years of leadership experience with major telecommunications providers, such as SBC, Sprint, and Citizens Communications. His diverse experience includes information technology, field operations, billing, receivables management, customer service, acquisition of telecom

properties and Total Quality Management (TQM) processes, including the teaching of business process improvement and statistical process control applications

Mr. Henderson received his Bachelor of Science degree from the University of Texas (Dallas) in 1979 and his Master of Science degree from the University of Texas (Dallas) in 1981.

Melissa A. Drennan, Esq.

Ms. Drennan graduated, with distinction, from the University of Notre Dame in 1991, with a Bachelor of Arts in English and a minor in Public Policy. She received her Juris Doctorate degree from Southern Methodist University's Dedman School of Law in 1994, and served on the SMU Law Review. While at law school, Drennan was a founding member and Chairperson of the Board of Advocates, as well as a Student Senator. She received the International Academy of Trial Lawyers Award in 1994, was elected SMU's Outstanding Advocate of the Year in 1994, and was named in Who's Who Among American Law Students 1992-1994. After graduation, Ms. Drennan served as a Briefing Attorney for Justice David L. Richards and Justice David F. Farris, of the Second Court of Appeals for the State of Texas from 1994 to 1995.

Prior to joining VarTec, Ms. Drennan was an associate in the Fort Worth, Texas office of Haynes & Boone L.L.P. She participated in a wide array of litigation, appellate, and mediated matters, representing a broad range of clients, from Fortune 500 companies in multi-party cases to individual business owners in contract disputes.

Ms. Drennan joined VarTec in August of 1998. In her current role as Deputy Chief Counsel and Vice President – Litigation and Compliance, Ms. Drennan is responsible for corporate compliance, litigation, dispute resolution, regulatory affairs, employment law issues, marketing compliance and the intellectual property portfolio of VarTec and all of its subsidiaries. She oversees the management of the Regulatory Affairs Department, which supports all of VarTec's utility and other operations in addition to those of its subsidiaries.

EXHIBIT G

**COMTEL TELCOM ASSETS LP
MOTION FOR PROTECTIVE ORDER**

BEFORE THE TENNESSEE REGULATORY AUTHORITY

In the matter of the Joint Application of)	
)	
COMTEL TELCOM ASSETS LP)	
)	
and)	
)	
VARTEC TELECOM, INC.)	Docket No. _____
EXCEL TELECOMMUNICATIONS,)	Date of Filing: October 18, 2005
INC. AND VARTECSOLUTIONS, INC.)	
)	
for Approval of a Transfer of Assets)	

MOTION FOR PROTECTIVE ORDER AND
PROTECTION OF PROPRIETARY INFORMATION

Concurrently with the filing of this Motion, Comtel Telcom Assets LP (“Comtel”) and VarTec Telecom, Inc., Excel Telecommunications, Inc. and VarTec Solutions, Inc. have submitted a Joint Application for Consent to Transfer Assets pursuant to the rules and regulations of the Tennessee Regulatory Authority (“TRA”). By this Motion, Comtel respectfully requests that the TRA accept Exhibit F of the Application, which contains the financial statements submitted by Comtel, under seal and withhold said exhibit from public inspection.

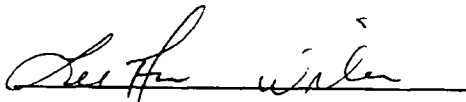
Exhibit F of the Application has been submitted to confirm that Comtel has the requisite financial ability to acquire the VarTec Companies’ assets and become a strong competitor in the Tennessee telecommunications marketplace. As a privately-held company, Comtel respectfully requests that the TRA protect Exhibit F of the Application from public inspection because public disclosure of its contents would place Comtel at an unfair business disadvantage. Comtel also

requests that the TRA withhold from public inspection Exhibit F to the Application due to its proprietary nature. The information contained in the financial statements is only disclosed to banks, financial institutions and others on a need to know basis, and when such information is disclosed to them, it is done on a confidential basis. Making this information available would reveal information to the public and Comtel's competitors which would allow them to know Comtel's cash position, liabilities and other data which Comtel does not wish to disclose without a protective order.

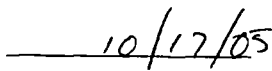
Wherefore, Comtel respectfully requests that its Motion for Protective Order and Protection of Proprietary Information be granted.

Respectfully submitted,

COMTEL TELCOM ASSETS LP

By: 

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Date